

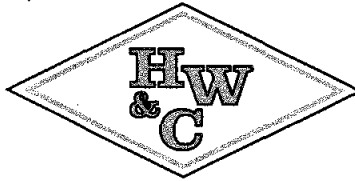
**Big River Economic and
Agricultural Development Alliance
(BREADA)
Baton Rouge, Louisiana
December 31, 2014**

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Independent Auditor's Report

The Board of Directors
Big River Economic and Agricultural Development Alliance
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Big River Economic and Agricultural Development Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big River Economic and Agricultural Development Alliance, as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

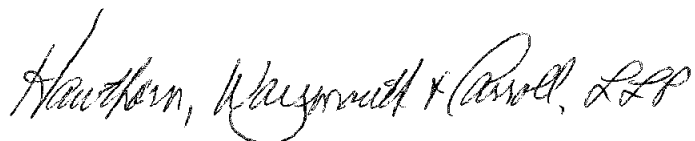
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of Big River Economic and Agricultural Development Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Big River Economic and Agricultural Development Alliance's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Hawthorn, Raymond & Carroll, LLP".

June 26, 2015

Big River Economic and Agricultural Development Alliance
Statements of Financial Position
December 31, 2014 and 2013

A s s e t s

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash and cash equivalents	\$178,185	\$211,934
Cash and cash equivalents - Board designated	<u>156,198</u>	<u>156,198</u>
Total cash and cash equivalents	334,383	368,132
Accounts receivable	—	80,919
Prepaid insurance	8,360	6,733
Employee advance	<u>12</u>	<u>100</u>
Total current assets	<u>342,755</u>	<u>455,884</u>
Property and Equipment		
Property and equipment	248,770	245,623
Less: accumulated depreciation and amortization	<u>142,770</u>	<u>121,147</u>
Total property and equipment, net	<u>106,000</u>	<u>124,476</u>
Total assets	<u>\$448,755</u>	<u>\$580,360</u>

L i a b i l i t i e s a n d N e t A s s e t s

Current Liabilities		
Accounts payable	\$ —	\$ 1,925
Payroll taxes payable	4,575	7,553
Unredeemed tokens	14,549	6,642
Deferred revenue	<u>127,700</u>	<u>157,954</u>
Total current liabilities	146,824	174,074
Net Assets		
Unrestricted, including \$156,198 for 2014 and 2013, set aside as designated	<u>301,931</u>	<u>406,286</u>
Total liabilities and net assets	<u>\$448,755</u>	<u>\$580,360</u>

The accompanying notes are an integral part of the financial statements.

Big River Economic and Agricultural Development Alliance
Statements of Activities
Years Ended December 31, 2014 and 2013

	UNRESTRICTED	
	<u>2014</u>	<u>2013</u>
Support and Revenue		
Support:		
Public grants	\$ 5,444	\$ 80,919
Private grants	212,104	353,171
Annual campaign	106,302	94,749
Fund raisers	—	56,707
In-kind contribution	30,346	19,227
Other income	1,301	125
Total support	<u>355,497</u>	<u>604,898</u>
Revenue:		
Rental income	161,717	150,890
Tokens Program income (loss)	(746)	(925)
Annual dues and application fees	3,540	3,810
Promotional items	5,979	6,648
Direct sales	17,021	9,976
Total revenue	<u>187,511</u>	<u>170,399</u>
Total support and revenue	<u>543,008</u>	<u>775,297</u>
Expenses		
Salaries	266,850	277,716
Payroll taxes and benefits	39,428	47,954
Depreciation	21,623	17,130
Insurance	8,401	8,897
Janitorial	31,664	33,727
Marketing and promotion	85,189	48,969
Professional fees	15,844	17,662
Repairs and maintenance	6,508	12,398
Special events	12,915	8,157
Supplies	13,214	22,789
(Continued - amounts carried forward)	501,636	495,399

The accompanying notes are an integral part of the financial statements.

Big River Economic and Agricultural Development Alliance
Statements of Activities (Continued)
Years Ended December 31, 2014 and 2013

	UNRESTRICTED	
	<u>2014</u>	<u>2013</u>
Expenses (Continued)		
(Continued - amounts brought forward)	\$501,636	\$495,399
Telephone and internet	15,810	14,398
Travel	8,495	4,678
Training and education	59,986	62,219
Dues, licenses and subscriptions	875	2,332
Outreach/Education expenses	20,341	7,119
Security system	1,790	2,144
Bank service charges	646	634
Other expenses	429	3,495
Fund raising	4,530	9,024
Utilities - LaSalle	2,479	2,624
Rent	<u>30,346</u>	<u>19,227</u>
Total expenses	<u>647,363</u>	<u>623,293</u>
 Change in Net Assets	 (104,355)	 152,004
 Net Assets, Unrestricted		
Beginning of year	<u>406,286</u>	<u>254,282</u>
 End of year	 <u>\$301,931</u>	 <u>\$406,286</u>

The accompanying notes are an integral part of the financial statements.

Big River Economic and Agricultural Development Alliance
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities		
Change in net assets	\$(104,355)	\$ 152,004
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	21,623	17,130
(Increase) Decrease in assets:		
Accounts receivable	80,919	(31,182)
Prepaid insurance	(1,627)	(3,351)
Employee advance	88	(100)
Increase (Decrease) in liabilities:		
Accounts payable	(1,925)	(2,752)
Payroll taxes payable	(2,978)	1,924
Deferred revenue	(30,254)	(127,346)
Unredeemed tokens	<u>7,907</u>	<u>(3,012)</u>
Net cash provided by (used in) operating activities	<u>(30,602)</u>	<u>3,315</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(3,147)</u>	<u>(56,719)</u>
Net cash used in investing activities	<u>(3,147)</u>	<u>(56,719)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(33,749)	(53,404)
Cash and Cash Equivalents		
Beginning of year	<u>368,132</u>	<u>421,536</u>
End of year	<u><u>\$ 334,383</u></u>	<u><u>\$ 368,132</u></u>

The accompanying notes are an integral part of the financial statements.

Big River Economic and Agricultural Development Alliance
Notes to Financial Statements
December 31, 2014

Note 1-Nature of Activities and Summary of Significant Accounting Policies

A. Nature of Activities

Big River Economic and Agricultural Development Alliance (BREADA) is a nonprofit corporation, founded in 1996, whose purpose is to build a healthy and strong local food system; to increase sustainability of local farmers, fishers and food producers; and to foster stewardship of land and community through public markets. BREADA pursues its mission through the following endeavors:

Red Stick Farmers Market is a producer-only farmers market with a membership of independent small family farms from throughout the state of Louisiana. BREADA arranges times and locations for local farmers to rent space and participate in either of the two markets that serve the Baton Rouge metropolitan area.

Main Street Market is an affordable market-place for small local farmers, food artisans, regional artists and local businesses in downtown Baton Rouge. Vendors can choose to rent space on a daily or monthly basis for this public marketplace, which operates six days a week with a strategic location in the Galvez parking garage at Main and Fifth Streets.

Red Stick Mobile Farmers Market expands direct sales opportunities for small family-owned farms to consumers of all income levels in the urban core of Baton Rouge, specifically to zip codes 70802, 70805 and 70807. It provides access to fresh, healthy and affordable produce and farm products in neighborhoods with limited access. In addition, it provides an opportunity for new farmers to build their capacity in a much smaller market environment. This endeavor is funded primarily through public and private grants.

B. Basis of Accounting and Presentation

The accompanying financial statements have been presented on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

BREADA reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by the organization is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those assets whose use by the organization has been limited by donors to (a) later periods of time or other specific dates, or (b) for specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting the organization's use of the asset. As of December 31, 2014 and 2013, BREADA had no temporarily or permanently restricted net assets.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Big River Economic and Agricultural Development Alliance
Notes to Financial Statements
December 31, 2014

Note 1-Nature of Activities and Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, BREADA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

E. Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed using both straight-line and accelerated methods over the estimated useful lives of the respective assets. When assets are retired, or otherwise disposed, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in income for the period. Expenditures for maintenance and minor repairs are charged to expense as incurred. Expenditures in excess of \$1,000 for major repairs and improvements that extend the useful lives of property and equipment are capitalized at cost. The estimated useful lives for property and equipment categories are as follows:

Furniture and fixtures	5 – 15 years
Equipment	3 – 25 years
Vehicles	5 – 6 years
Leasehold improvements	5 – 39 years

F. Income Taxes

BREADA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a). Accordingly, no provision has been made for income taxes

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If BREADA were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors. Generally, tax returns may be examined for three years from the filing date and the current and prior three years remain subject to examination as of December 31, 2014.

G. Designation of Net Assets

Designations are voluntary board-approved segregation of unrestricted net assets for specific purposes. Designations may be reserved by the board of directors at any time. At December 31, 2014 and 2013, the Board designated cash and cash equivalents of \$156,198 for future operations and capital needs.

Big River Economic and Agricultural Development Alliance
Notes to Financial Statements
December 31, 2014

Note 1-Nature of Activities and Summary of Significant Accounting Policies (Continued)

H. Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services specified under the terms of the grant agreement. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

I. Advertising Costs

Advertising costs which are shown as marketing and promotion on the statement of activities are expensed as incurred. These costs for the years ended December 31, 2014 and 2013 were \$85,189 and \$48,969, respectively.

Note 2-Deferred Revenue

Deferred revenue consists of grant funds received in the current year that will be used and recognized in the following year.

Note 3-Property and Equipment

The following is a summary of the property and equipment accounts as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 20,113	\$ 16,966
Equipment	110,135	110,135
Vehicles	50,107	50,107
Leasehold improvements	68,415	68,415
Less: accumulated depreciation and amortization	<u>(142,770)</u>	<u>(121,147)</u>
Total property and equipment, net	<u>\$ 106,000</u>	<u>\$ 124,476</u>

Depreciation expense for all assets charged to operations was \$21,623 and \$17,130 for 2014 and 2013, respectively.

Big River Economic and Agricultural Development Alliance
Notes to Financial Statements
December 31, 2014

Note 4-Functional Classification of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the table below. Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include expenses that are not directly identifiable with a specific program, but provide for the overall support and direction of the organization.

	<u>2014</u>	<u>2013</u>
Program services	\$493,837	\$450,989
Management and general	72,548	77,309
Fund raising	<u>80,978</u>	<u>94,995</u>
	<u>\$647,363</u>	<u>\$623,293</u>

BREDA achieves some of its programmatic, management and general, and fund-raising goals through its daily operations. Joint costs allocated to the above classifications are as follows:

	<u>2014</u>	<u>2013</u>
Program	\$210,111	\$210,900
Management and general	31,474	36,890
Fund raising	<u>77,113</u>	<u>91,226</u>
	<u>\$318,698</u>	<u>\$339,016</u>

Note 5-In-Kind Contributions

The in-kind contribution and expense are recognized by BREDA for the use of three properties located in Downtown Baton Rouge. The first is office space owned by Baton Rouge Area Foundation and is the main location for BREDA operations. The second space is located in the LaSalle parking garage which is owned by the State of Louisiana, and is used by the employees of the Mobile Farmers Market program. The third property is a parking lot where the Mobile Farmers Market truck and trailer are parked. The total amount of in-kind contribution revenue and corresponding rent expense for the years ended December 31, 2014 and 2013 was \$30,346 and \$19,227, respectively.

Note 6-Subsequent Events

BREDA evaluated all subsequent events through June 26, 2015, the date the financial statements were available to be issued. As a result, BREDA noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

Supplementary Information

**Big River Economic and Agricultural Development Alliance
Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
Year Ended December 31, 2014**

Agency Head Name: Copper Alvarez, Executive Director

Purpose	Amount
Salary	\$ 64,500
Benefits - insurance	0
Benefits - retirement	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	5,281
Travel	8,919
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

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**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Officers and Board of Directors
Big River Economic and Agricultural Development Alliance
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Big River Economic and Agricultural Development Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Big River Economic and Agricultural Development Alliance's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big River Economic and Agricultural Development Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Big River Economic and Agricultural Development Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big River Economic and Agricultural Development Alliance's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hawthorn Maynard & Carroll, LLP".

June 26, 2015

**Big River Economic and Agricultural Development Alliance
Schedule of Findings and Responses
Year Ended December 31, 2014**

Findings - Financial Statement Audit

None.

**Big River Economic and Agricultural Development Alliance
Schedule of Prior Year Findings and Responses
Year Ended December 31, 2014**

Findings - Financial Statement Audit

2013-01 Filing of Report with Louisiana Legislative Auditor

Condition:

Financial statements were not timely filed with the Louisiana Legislative Auditor.

Criteria:

LSA-RS 24:513 (5)(a) requires the engagement to be completed within six months of the close of the entity's fiscal year.

Cause:

BREDA was not ready for the audit in a timely manner.

Effect:

BREDA's financial statements were not timely filed.

Auditor's Recommendation:

To comply with state laws and regulations, BREDA should close its books at an earlier date allowing time for the audit process to be completed prior to the deadline, or an extension should be filed with the Louisiana Legislative Auditor before June 30.

Management's Corrective Action Plan:

BREDA will take appropriate action to ensure timely filing of the financial statements with the LA Legislative Auditor.

Status:

This finding was resolved in the current year.